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beyond the outer boundaries of one's own country and become continental and inter-continental.

I think that in Great Britain, partly, as I said, through the knowledge of the coarsening effect of the War, partly through this prolonged period of unemployment, partly because of the realization of the awful sufferings in central and eastern Europe, we are having a very sound, compulsory education in an international outlook. We feel probably

that in the years that lie ahead of us we in Great Britain will never again be quite so closed in within our little island but be able in a more liberal spirit to realize that we cannot have those clashing ideals; that a narrow nationality and twentieth century realities have to be reconciled, and the only possibility of reconciliation lies in burying all those abstract ideas about justice and revenge and reparations and beginning again in a new spirit and with a new ideal.

The New International Spirit and the Failure of Nationalism

By M^{LE}. THERESE POTTECHER-ARNOULD

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IT seems to me that, as Norman Angel has so well pointed out, the chief cause of the War rested on the action which nations, because of an expanding population and increasing industry, were forced to take in order to insure the best conditions possible for their people. They were pushed to territorial expansions and an exercise of political and military force against each other.

We have considered nations as rival units but it seems from the results of the War and the recent consequences also of the peace treaty that a great economic law has been ignored; which is, that the politics of nations being closely interwoven with economics, the economics of nations are closely interdependent.

Now during the War we put in common our men, our goods, our food and the means of transportation. Just after the Armistice, instead of keeping those organizations, instead of pooling what

was left of our resources—not only with our former allies but with our former enemies, and even the neutral countries as well—instead of uniting our efforts on both sides in order to get the confidence on which credit depends, instead of utilizing the labor of demobilized men to start reconstruction work at once, we returned to the old traditions of an obsolete nationalism. We opposed to the sensible conception of coöperation, the notion of each one scrambling for himself; we returned to the medieval notions of booty, of spoils, and we began to deprive Germany of her means of producing by taking the coal mines of the Saar and also by not lifting the blockade for nearly sixteen months, or, perhaps longer. Yet, the liabilities of France rested on the ability of Germany to work for the restoration of the invaded North of France.

Then, too, what about the Balkanization of Central Europe? There are districts which are industrial and dis-

tricts which are not industrial, and each needs the other in order to live; but they have been cut off from one another. What have we now? Instead of establishing a European Federation of States, in imitation of the United States, which, has common transportation and the same system of customs and currencies, a federation which would have been good for Europe, we returned to our false national pride, with the result that now Central Europe and Russia are still starving or at least, very much impoverished. In Russia, Austria and Germany ever since the War there has been industrial unrest. There were upheavals in Italy and in Germany for a time. If France cannot collect the indemnity due by Germany she will be a bankrupt. England and the neutral countries who have a higher rate of exchange are suffering from unemployment and there are numerous business failures. Europe just at present is in a state of economic chaos. There are, of course, tremendous problems to be solved now on account of the mistakes which have been committed.

It would have been possible just after the Armistice to have had quite a different solution, because there were tremendous hopes among the liberal parties. They claimed at the time to be in favor of the Wilsonian fourteen points. They were all for peace in France. There was no militarism at this time; there was no nationalism at all; we were all rejoicing in the hopes of everlasting peace. But now what have we? We have bitterness; we have resentment; we have mistrust and fear, not only between the former enemy countries but also between the Allies. We have to face this fact. We have to be very frank about it, as that is the only way to try to find efficient remedies.

REPARATIONS

Let us now speak very frankly about this problem of reparations. I not only want to discuss the interest of France, but I want to discuss it in a very disinterested and scientific spirit, if I can, for in so doing I am sure to present the views of some of our best economic experts. This reparations problem is the crucial problem now. For instance, if we want to make Germany pay by force, in turn we have to pay for a tremendous army. One or two months ago, \$17,000,000,000 had already been paid by Germany; most of it has gone for France's military expenditures. Secondly, if Germany is to pay she must have a big export trade. She must have some means of raising money. Now that means the revival of German industry, and that revival has begun. There was a boom in German industry which was helped by many business men, not only of the neutral countries but of the allied countries, who invested in marks—and what happened? Marks began to decrease; marks were sinking down lower and lower, so that after that, while the Germans realized some benefits, when they wanted again to buy raw materials (which they have to buy from the other countries because their own reserve is exhausted) they found that, even with the benefit they had realized, they had to pay such high rates that they were working at a loss.

Now I want to show that when we try to hit our neighbor economically, sometimes we hit ourselves harder.

General Foch said, "We are here to make you pay and you have to pay. We don't mind if you can't pay; you must pay." Germany tried to raise money. She had to buy foreign currencies. Then she paid. There was a sudden influx in France and allied countries of money, but there was still

the same amount of goods to be sold, so that the price of commodities was raised and money depreciated.

Another instance also: If we want confiscation in order to solve the problem, let us confiscate, let us invade. But, then, our credit will decrease because our credit, as I told you, rests on the ability of Germany to pay and Germany will be paralyzed and unable to pay. For instance, in April, 1920, when our French armies went to Frankfurt and to the Ruhr Basin, a dollar was worth nearly 18 francs, which meant that the franc was going down and down. That is just one example.

If we make Germany pay by her labor, by sending us raw materials, there is in France a strong opposition from our own builders and contractors in the North of France, and also from the new factory owners who have built their factories just because they wanted to sell to the French people and to exploit the North of France. I say "exploit," which is rather a strong word; I mean, they want to have an outlet in the North of France for their goods. But what if the North of France is overflowed by cheap German goods? It means really that if we stick to the old traditional policy, we shall have to ask ourselves, "Shall France be half, or even three-quarters ruined, in order to make Germany utterly ruined?" Is it a good policy, even for our own country? The remedy, it seems to me, is first to give up the old traditions of narrow nationalism. We have to start a new international spirit. There is

no other remedy for it. We must start a new ideal, and put patriotism on a higher plane. You know that for election purposes we had the slogan, "Germany will be made to pay," but it does not work now. Our own people can see that, especially our working classes, who are heavily burdened by indirect taxation, for indirect taxation, as you know, burdens most the poorer classes and also keeps the price of commodities very high.

Unemployment in France is also beginning to be felt, though France is still self-supporting on account of her large rural population. Yet even this rural class is now threatened with heavy taxes.

I think we must, then, give up our tradition of nationalism, and most of our working classes and most of our liberals, who are many more than you imagine in this country, are in favor of this solution of the problem. They are also discussing now—though it is, perhaps, very indiscreet on my part to tell you so—whether the general cancellation of debts would not be better for each party. They think, also, that perhaps we should have to float international loans. In order to help Germany to pay us we have already had to float loans to Germany, a scheme which seems rather ludicrous. We must realize that we shall not get out of this vicious circle, this tangle, of the reparations problem if we do not oppose a policy of good will, of coöperation based on sound, economic sense and understanding to the obsolete conception of spoils and war indemnity.